



U.S. Department of State FY 2000 Country Commercial Guide: Liberia

THE COUNTRY COMMERCIAL GUIDE FOR LIBERIA WAS PREPARED BY U.S. EMBASSY MONROVIA AND RELEASED BY THE BUREAU OF ECONOMIC AND BUSINESS IN JULY 1999 FOR FISCAL YEAR 2000.

CHAPTER I: EXECUTIVE SUMMARY

THIS COUNTRY COMMERCIAL GUIDE (CCG) PRESENTS A COMPREHENSIVE LOOK AT LIBERIA'S COMMERCIAL ENVIRONMENT, USING ECONOMIC, POLITICAL AND MARKET ANALYSIS. THE CCGS WERE ESTABLISHED BY RECOMMENDATION OF THE TRADE PROMOTION COORDINATING COMMITTEE (TPCC), A MULTI-AGENCY TASK FORCE, TO CONSOLIDATE VARIOUS REPORTING DOCUMENTS PREPARED FOR THE U.S. BUSINESS COMMUNITY. COUNTRY COMMERCIAL GUIDES ARE PREPARED ANNUALLY AT U.S. EMBASSIES THROUGH THE COMBINED EFFORTS OF SEVERAL U.S. GOVERNMENT AGENCIES.

LIBERIA IS AFRICA'S OLDEST REPUBLIC, SETTLED INITIALLY IN THE 1820S BY FREED AMERICAN SLAVES. IT IS LOCATED ON THE WEST COAST OF AFRICA, WITH A 350-MILE-LONG COASTLINE ON THE ATLANTIC OCEAN, AND SHARES BORDERS WITH SIERRA LEONE, GUINEA, AND COTE D'IVOIRE. IT IS A MEMBER OF THE ECONOMIC UNION OF WEST AFRICAN STATES (ECOWAS).

LIBERIA IS A CENTRALIZED REPUBLIC DOMINATED BY A STRONG PRESIDENCY. THE SEVEN-YEAR-LONG CIVIL WAR ENDED IN 1996 WITH THE ABUJA ACCORDS, AND IN JULY 1997, PRESIDENT CHARLES TAYLOR WON THE PRESIDENCY IN ELECTIONS THAT WERE ADMINISTRATIVELY FREE AND TRANSPARENT, BUT CONDUCTED IN AN ATMOSPHERE OF INTIMIDATION.

LIBERIA IS A VERY POOR COUNTRY WITH A MARKET-BASED ECONOMY THAT IS ONLY BEGINNING TO RECOVER FROM THE RAVAGES OF CIVIL WAR. EIGHTY-FIVE PERCENT UNEMPLOYMENT, A 15 PERCENT LITERACY RATE, AND THE ABSENCE OF INFRASTRUCTURE THROUGHOUT THE COUNTRY CONTINUE TO DEPRESS

PRODUCTIVE CAPACITY, DESPITE THE COUNTRY'S RICH NATURAL RESOURCES AND POTENTIAL SELF-SUFFICIENCY IN FOOD.

THE U.S. EMBASSY IN MONROVIA HAS A POLITICAL/ECONOMIC COUNSELOR AND IS IN THE PROCESS OF ESTABLISHING A COMMERCIAL LIBRARY AT THE U.S. INFORMATION SERVICE INFORMATION RESOURCE CENTER (IRC). IN ADDITION, THERE IS A REGIONAL COUNSELOR FOR COMMERCIAL AFFAIRS OF THE U.S. FOREIGN COMMERCIAL SERVICE LOCATED IN ABIDJAN, COTE D'IVOIRE.

COUNTRY COMMERCIAL GUIDES ARE AVAILABLE FOR U.S. EXPORTERS FROM THE NATIONAL TRADE DATA BANK'S CD-ROM OR VIA THE INTERNET. PLEASE CONTACT STAT-USA AT 1-800-STAT-USA FOR MORE INFORMATION. COUNTRY COMMERCIAL GUIDES CAN BE ACCESSED VIA THE WORLD WIDE WEB AT [HTTP://WWW.STAT-USA.GOV](http://WWW.STAT-USA.GOV), [HTTP://WWW.STATE.GOV/](http://WWW.STATE.GOV/), AND [HTTP://WWW.MAC.DOC.GOV](http://WWW.MAC.DOC.GOV). THEY CAN ALSO BE ORDERED IN HARD COPY OR ON DISKETTE FROM THE NATIONAL TECHNICAL INFORMATION SERVICE (NTIS) AT 1-800-553-NTIS. U.S. EXPORTERS SEEKING EXPORT INFORMATION/ASSISTANCE AND COUNTRY-SPECIFIC COMMERCIAL INFORMATION SHOULD CONTACT THE U.S. DEPARTMENT OF COMMERCE, TRADE INFORMATION CENTER, BY PHONE AT 1-800-USA-TRAD(E) OR BY FAX AT (202) 482-4473.

CHAPTER II: ECONOMIC TRENDS AND OUTLOOK

A. MAJOR TRENDS AND OUTLOOK

LIBERIA'S NEED TO REBUILD FOLLOWING A SEVEN-YEAR CONFLICT COMBINED WITH ITS ABUNDANT NATURAL RESOURCES MAKE IT A COUNTRY WITH GREAT POTENTIAL FOR INVESTMENT. HOWEVER, AS LONG AS NOTHING IS DONE ABOUT THE CORRUPTION WHICH REACHES THE HIGHEST LEVEL OF GOVERNMENT, IT IS UNLIKELY THAT SERIOUS INVESTORS WILL BE INDUCED TO RISK CAPITAL IN LIBERIA. VERY LITTLE PROGRESS HAS BEEN MADE IN ADDRESSING THE CRITERIA LAID OUT BY THE INTERNATIONAL MONETARY FUND (IMF) FOR CREATING AN IMPROVED ECONOMIC ENVIRONMENT WHICH WOULD ATTRACT INTERNATIONAL INVESTMENT. THE ECONOMY REMAINS STAGNANT.

B. PRINCIPAL GROWTH SECTORS

THE MAJORITY OF FACILITIES IN LIBERIA WERE DEVASTATED DURING THE CIVIL CONFLICT, SO THERE IS POTENTIAL FOR GROWTH IN ALMOST EVERY SECTOR. FIGURES QUOTED ARE FROM GOVERNMENT SOURCES.

MINING: NATURAL RESOURCES ARE PRESENT IN GREAT ABUNDANCE. MINING OF GOLD, DIAMONDS, AND IRON ORE ACCOUNT FOR 22 PERCENT OF THE GROSS DOMESTIC PRODUCT (GDP).

MANUFACTURING: MANUFACTURING ACCOUNTS FOR ONLY 6 PERCENT OF THE GDP, BUT THE AVAILABILITY OF AGRICULTURAL CROPS, MINERAL RESOURCES, AND LOW-COST UNSKILLED LABOR PRESENTS OPPORTUNITIES FOR GROWTH IN THIS SECTOR.

AGRICULTURE: AGRICULTURE CONTRIBUTED ABOUT 20 PERCENT OF THE GDP BEFORE THE CIVIL CONFLICT. PRINCIPAL CROPS GROWN IN LIBERIA INCLUDE RICE, COCOA, COFFEE, OIL PALM, SUGAR CANE, AND CASSAVA. ALSO GROWN ARE PINEAPPLE, BANANA, PAPAYA, AND MANGO. RICE, THE STAPLE FOOD OF LIBERIA, COMES MOSTLY FROM IMPORTED SOURCES, BUT THE COUNTRY IS CAPABLE OF SELF-SUFFICIENCY IN RICE PRODUCTION. ATTAINMENT OF SELF-SUFFICIENCY WOULD REQUIRE CONSIDERABLE AGRICULTURAL DEVELOPMENT.

RUBBER: RUBBER IS CULTIVATED AND MINIMALLY PROCESSED FOR EXPORT. THERE IS POTENTIAL FOR GROWTH IN THE AREA OF SECONDARY PROCESSING.

FORESTRY: THE EASTERN PART OF THE COUNTRY CONTAINS THE MOST UNSPOILED REGION OF THE UPPER GUINEA FOREST, A HIGH PRIORITY CONSERVATION AREA DUE TO THE LARGE NUMBER OF ENDEMIC MAMMAL SPECIES. THIS AREA HAS POTENTIAL FOR GROWTH IN SUSTAINABLE LOGGING OF TROPICAL HARDWOODS, BUT IS CURRENTLY BEING DECIMATED BY ILLEGAL LOGGING AND FORESTRY MISMANAGEMENT.

TOURISM: THE POTENTIAL FOR GROWTH IN THIS SECTOR MAY BE MANY YEARS INTO THE FUTURE BECAUSE OF THE LACK OF AN ADEQUATE INFRASTRUCTURE AND PROBLEMS WITH REGIONAL AND INTERNAL STABILITY. HOWEVER, THE SEACOAST OF LIBERIA HAS MANY BEAUTIFUL TROPICAL BEACHES, A FAVORABLE CLIMATE IN THE DRY SEASON (SEPTEMBER-MAY), AND SPORT FISHING.

C. GOVERNMENT ROLE IN THE ECONOMY

POST-CONFLICT LIBERIA WITH LARGE FOREIGN DEBTS AND INADEQUATE GOVERNMENT REVENUES CANNOT RECOVER WITHOUT A PROGRAM OF ASSISTANCE FROM INTERNATIONAL FINANCIAL INSTITUTIONS (IFI)S AND DONORS. THE IMF HAS IDENTIFIED PROBLEMS WITH CONTINUED LAX EXPENDITURE CONTROLS AND

EXTRABUDGETARY EXPENDITURES. LARGE RESOURCE ALLOCATIONS TO MILITARY EXPENDITURES AND FOREIGN TRAVEL AS OPPOSED TO MUCH NEEDED SOCIAL SERVICES REMAIN A PROBLEM. THE WILLINGNESS OF THE IFIS AND DONORS TO CONSTRUCT A PROGRAM TO BRING LIBERIA TO THE POINT WHERE IT WOULD BE ELIGIBLE FOR ASSISTANCE UNDER WORLD BANK RULES DEPENDS LARGELY ON THEIR BEING CONVINCED THAT THE GOVERNMENT OF LIBERIA IS COMMITTED TO SOUND ECONOMIC POLICIES. TO DATE, THAT HAS NOT HAPPENED.

D. INFRASTRUCTURE

THE INFRASTRUCTURE IN LIBERIA WAS TOTALLY DEVASTATED DURING THE CIVIL WAR YEARS FROM 1989-96. CURRENTLY, THERE ARE NO PUBLIC UTILITIES, SUCH AS ELECTRICAL POWER, SEWER, OR RUNNING WATER. ROADS IN AND AROUND MONROVIA GET MINIMAL MAINTENANCE, BUT ROADS TO THE HINTERLANDS ARE FREQUENTLY IMPASSABLE IN THE RAINY SEASON. THERE ARE BASIC TELECOMMUNICATIONS SERVICES, BUT NO DOMESTIC OR INTERNATIONAL POSTAL SERVICE.

THE NATIONAL TELECOMMUNICATIONS PROVIDER, LIBERIA TELECOMMUNICATIONS CORPORATION (LTC), IS NOT Y2K COMPLIANT AND MAY EXPERIENCE SWITCHING AND BILLING PROBLEMS. THE MAIN AIRPORT, ROBERTS INTERNATIONAL AIRPORT (RIA), IS IN THE PROCESS OF BEING RENOVATED. THE NEW EQUIPMENT BEING INSTALLED IS Y2K COMPLIANT. HOWEVER, TRAVEL TO AND FROM NEARBY WEST AFRICAN COUNTRIES THAT ARE NOT Y2K COMPLIANT MAY NOT BE POSSIBLE.

CHAPTER III: POLITICAL ENVIRONMENT

A. NATURE OF THE POLITICAL RELATIONSHIP WITH THE U.S.

THE U.S. AND LIBERIA HAVE A LONG-STANDING HISTORICAL RELATIONSHIP THAT WAS SORELY TESTED BY THE CIVIL CONFLICT, AND THE POLITICAL VIOLENCE, HUMAN RIGHTS ABUSES, AND CORRUPTION THAT ENSUED. THE U.S BELIEVES THAT DEMOCRACY AND GENUINE RESPECT FOR HUMAN RIGHTS COUPLED WITH TRANSPARENCY AND ACCOUNTABILITY IN GOVERNMENT REMAIN THE BEST PATHS TOWARD SUSTAINABLE ECONOMIC GROWTH.

THE U.S. GOVERNMENT CONTINUES TO FINANCE PROJECTS THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID). IT PROVIDED 53 MILLION DOLLARS IN FOOD AID, HUMANITARIAN ASSISTANCE, DEMOBILIZATION/REINTEGRATION FOR EX-

COMBATANTS, AND DEMOCRACY/GOVERNANCE ASSISTANCE IN 1998, PRIMARILY THROUGH INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS (NGOS) AND UN AGENCIES. ALSO INCLUDED IN THE 53 MILLION ARE THE AMBASSADOR'S SPECIAL SELF-HELP AND THE DEMOCRACY AND HUMAN RIGHTS FUNDS, WHICH TOGETHER FINANCED \$80,000 WORTH OF SMALL GRASS-ROOTS PROJECTS, THROUGH LOCAL COMMUNITY GROUPS, AND CIVIL SOCIETY ORGANIZATIONS. IN 1999, USAID WILL TRANSITION FROM HUMANITARIAN ASSISTANCE TO DEVELOPMENT ASSISTANCE, PROVIDING A TOTAL OF 26.6 MILLION DOLLARS IN FOOD AID, HUMANITARIAN ASSISTANCE, REINTEGRATION FOR EX-COMBATANTS, HEALTH CARE, DEMOCRACY/GOVERNANCE, AND AGRICULTURAL PROJECTS.

THE U.S. WILL CONTINUE TO PRESS FOR FUNDAMENTAL CHANGES IN THE RESPECT FOR HUMAN RIGHTS, GOOD GOVERNANCE, AND TRANSPARENCY AND ACCOUNTABILITY IN ORDER FOR THE BILATERAL RELATIONSHIP TO PROGRESS POSITIVELY. THE U.S. IS CONCERNED ABOUT A DETERIORATING HUMAN RIGHTS CLIMATE BROUGHT ABOUT LARGELY BY ILL-DISCIPLINED GOVERNMENT FORCES AS THEY CONTINUE TO HARASS HUMAN RIGHTS ACTIVISTS, OPPOSITION FIGURES, THE PRESS, AND CIVIL SOCIETY IN GENERAL. GOVERNMENTAL CORRUPTION CONTINUES TO ADVANTAGE A FEW, WHILE THE VAST MAJORITY OF LIBERIANS LIVE IN POVERTY.

B. MAJOR POLITICAL ISSUES AFFECTING BUSINESS CLIMATE

THERE ARE TWO MAJOR ISSUES AFFECTING THE BUSINESS CLIMATE IN LIBERIA-- REGIONAL AND INTERNAL INSTABILITY, AND WIDESPREAD CORRUPTION. AFTER A SEVEN-YEAR CIVIL CONFLICT IN WHICH THE ENTIRE INFRASTRUCTURE WAS LOOTED, INVESTORS ARE WARY OF MAKING LARGE CAPITAL INVESTMENTS. INVESTORS' CONCERNS ARE EXACERBATED BY THE PROLIFERATION OF ARMED SECURITY FORCES IN AND AROUND THE CAPITAL CITY, MONROVIA, AND BY THEIR POOR HUMAN RIGHTS RECORD.

THE LIBERIAN GOVERNMENT HAS MADE LITTLE EFFORT TO ADDRESS CORRUPTION IN ANY SECTOR. A SEMINAR ON GOOD GOVERNANCE HELD EARLIER THIS YEAR WAS WELL-RECEIVED BY THE PUBLIC, BUT LED TO LITTLE CONCRETE CHANGE IN GOVERNMENT POLICY. INVESTORS FIND THE BUREAUCRATIC RED TAPE DAUNTING, REQUESTS FOR BRIBES OVERWHELMING, AND CONTRACTS MADE IN LIBERIA DIFFICULT TO ENFORCE. THERE HAS BEEN INTERFERENCE BY THE EXECUTIVE BRANCH IN THE WORKINGS OF THE JUDICIAL AND LEGISLATIVE BRANCHES. IN SOME CASES,

JUDGMENTS BY THE SUPREME COURT OF LIBERIA, THE HIGHEST COURT IN THE LAND, WERE NOT CARRIED OUT BECAUSE OF PRESIDENTIAL INTERFERENCE.

C. BRIEF SYNOPSIS OF POLITICAL SYSTEM, SCHEDULE FOR ELECTIONS AND ORIENTATION OF MAJOR POLITICAL PARTIES

LIBERIA IS AFRICA'S OLDEST REPUBLIC, HAVING GAINED ITS INDEPENDENCE ON JULY 26, 1847. ITS POLITICAL SYSTEM IS BASED ON THE AMERICAN MODEL, WITH THREE BRANCHES-- EXECUTIVE, JUDICIAL, AND LEGISLATIVE. THE BICAMERAL NATIONAL ASSEMBLY, THE LEGISLATIVE BRANCH, CONSISTS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES. THE EXECUTIVE BRANCH CONSISTS OF THE PRESIDENT AND THE CABINET. THE CABINET IS APPOINTED BY THE PRESIDENT. THE JUDICIAL BRANCH CONSISTS OF CIRCUIT COURTS IN EACH COUNTY, WHICH ARE COURTS OF RECORD. THE SUPREME COURT IS THE COURT OF APPEALS. WITHIN EACH CIRCUIT, THERE ARE MAGISTERIAL COURTS AND JUSTICE OF THE PEACE COURTS, WHICH ARE NOT COURTS OF RECORD. JUVENILE COURTS WERE ESTABLISHED BY LAW IN 1998, BUT MOST COUNTIES ARE LACKING PERSONNEL OR FACILITIES TO HEAR CASES.

PRESIDENTIAL AND LEGISLATIVE GENERAL ELECTIONS WERE HELD ON JULY 19, 1997, AND WILL BE HELD NEXT IN 2003. THE RULING PARTY IS THE NATIONAL PATRIOTIC PARTY (NPP). THE NPP CONTROLS A MAJORITY OF THE SEATS IN THE LEGISLATURE, WITH A SMALL NUMBER BEING HELD BY THE UNITY PARTY (UP), LED BY ELLEN JOHNSON-SIRLEAF, AND THE ALL LIBERIA COALITION PARTY (ALCOP), LED BY ALHAJI KROMAH.

CHAPTER IV: MARKETING U.S. PRODUCTS AND SERVICES

A. LIST OF MAJOR NEWSPAPERS

THE INQUIRER
NEW ERA PUBLICATIONS, LTD.
(231) 227036

THE NEWS
LIBERIA MEDIA AND MARKETING SERVICES, INC.
(231) 227820

THE PATRIOT
PATRIOT PUBLISHING INC.
A DIVISION OF THE LIBERIA COMMUNICATIONS NETWORK
(231) 227592

B. SELLING TO THE GOVERNMENT

UNTIL THE LIBERIAN GOVERNMENT HAS INSTITUTED SOUND FISCAL POLICIES, IT WILL CONTINUE TO EXPERIENCE FINANCIAL PROBLEMS. SOME AMERICAN COMPANIES HAVE REPORTED THAT THE GOVERNMENT IS NOT RELIABLE IN ITS PAYMENTS FOR GOODS AND SERVICES.

C. NEED FOR A LOCAL ATTORNEY

INCOMING AMERICAN INVESTORS SHOULD SEEK THE SERVICES OF A LOCAL ATTORNEY TO DEAL WITH LIBERIA'S NONTRANSPARENT, COMPLEX, AND OFTEN CORRUPT LEGAL SYSTEM. A LIST OF LOCAL ATTORNEYS CAN BE OBTAINED FROM THE U.S. EMBASSY IN MONROVIA.

CHAPTER V: LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

A. BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES

THE MARKETING AND SALE OF RELATIVELY LOW-VALUE PRODUCTS SUCH AS USED CLOTHING, USED CARS, AND USED EQUIPMENT IS VIABLE. THERE IS A MARKET FOR U.S. CONSUMER GOODS SUCH AS TOILETRIES, HAIR PRODUCTS, AND OTHER PERSONAL CARE ITEMS. U.S. PRODUCTS ARE GENERALLY PREFERRED. THE HIGH UNEMPLOYMENT RATE LIMITS CONSUMER PURCHASES.

B. BEST PROSPECTS FOR AGRICULTURAL PRODUCTS

AS AGRICULTURAL PRODUCTION INCREASES IN POST-CONFLICT LIBERIA, THE MARKET FOR PESTICIDES AND CHEMICAL FERTILIZERS SHOULD ALSO INCREASE.

CHAPTER VI: TRADE REGULATIONS, CUSTOMS, AND STANDARDS

DUTIES ON IMPORTED GOODS RANGE FROM 2.5 PERCENT TO 25 PERCENT. MOST LUXURY ITEMS, INCLUDING ELECTRONIC EQUIPMENT, FURNITURE, CLOTHES, AND ALCOHOLIC BEVERAGES ARE CHARGED A 25 PERCENT DUTY TAX.

FOR CUSTOMS INFORMATION:

MINISTRY OF FINANCE

DEPUTY MINISTER FOR REVENUES
JUANITA NEAL
(231) 226968

CHAPTER VII: INVESTMENT CLIMATE

1. A.1 OPENNESS TO FOREIGN INVESTMENT

PRESIDENT TAYLOR CONTINUED TO EXPRESS HIS ADMINISTRATION'S SUPPORT FOR THE FREE-MARKET SYSTEM AND AN "OPEN DOOR" TO FOREIGN INVESTMENT. DESPITE ITS COMMITMENT TO THE FREE-MARKET SYSTEM, THE GOVERNMENT HAS GRANTED MONOPOLIES ON RICE, GASOLINE, AND CEMENT IMPORTS AND PRODUCTION.

THE 1975 ECONOMIC "LIBERIANIZATION" LAW PROHIBITS FOREIGN OWNERSHIP OF CERTAIN BUSINESSES, SUCH AS TRAVEL AGENCIES, RETAIL GASOLINE STATIONS, AND BEER AND SOFT DRINK DISTRIBUTORS. IF THERE ARE QUALIFIED LIBERIANS, THE LIBERIANIZATION LAW ALSO MANDATES THAT LIBERIAN NATIONALS SHOULD BE EMPLOYED AT ALL LEVELS, INCLUDING UPPER MANAGEMENT. USING THE LIBERIANIZATION LAW, THE MINISTRY OF LABOR HAS SOMETIMES HELD UP WORK PERMITS FOR EXPATRIATES AND INTERVENED IN NEGOTIATIONS BETWEEN INVESTORS/MANAGEMENT AND THEIR LIBERIAN EMPLOYEES.

QA.2 CONVERSION AND TRANSFER POLICIES

THERE IS NO DIFFICULTY OBTAINING LIBERIAN CURRENCY AT THE UNOFFICIAL RATE OF APPROXIMATELY 40 LIBERIAN DOLLARS TO ONE U.S. DOLLAR. THE OFFICIAL RATE IS 1:1. THE ONLY DENOMINATION OF LIBERIAN CURRENCY AVAILABLE IS A FIVE DOLLAR NOTE.

THERE ARE NO RESTRICTIONS ON CONVERTING OR TRANSFERRING INVESTMENT FUNDS INTO A FREELY USABLE CURRENCY AT A LEGAL MARKET CLEARING RATE.

QA.3 EXPROPRIATION AND COMPENSATION

THERE WERE SIGNIFICANT CASES OF EXPROPRIATION BY THE GOVERNMENT OF LIBERIA AGAINST U.S. FIRMS DURING THE SEVEN-YEAR CIVIL CONFLICT, 1990-1997. THE CLAIMANTS HAVE YET TO RECEIVE ANY COMPENSATION FROM THE GOVERNMENT.

CURRENTLY, THE COMMON PRACTICE BY THE GOVERNMENT OF

DISCRIMINATING AGAINST FOREIGN CREDITORS/INVESTORS BY PAYING THEM ONLY A SMALL FRACTION OF WHAT IS OWED TO THEM IS TANTAMOUNT TO EXPROPRIATION.

A.4 DISPUTE SETTLEMENT

THE JUDICIARY HAS ALWAYS BEEN SUBJECT TO POLITICAL, SOCIAL, FAMILIAL, AND FINANCIAL PRESSURES, AND THE EQUAL APPLICATION OF JUSTICE IS NOT ALWAYS OBSERVED. CORRUPTION AND LACK OF PROFESSIONALISM REMAIN A RECURRENT PROBLEM. THERE HAVE BEEN SIGNIFICANT INSTANCES OF EXECUTIVE BRANCH INTERFERENCE IN THE DECISIONS OF THE JUDICIARY, INCLUDING DECISIONS BY THE LIBERIAN SUPREME COURT, THE HIGHEST COURT IN THE COUNTRY. AT THIS TIME, THERE ARE NO CONSISTENT AND EFFECTIVE MEANS FOR ENFORCING PROPERTY AND CONTRACTUAL RIGHTS.

QA.5 PERFORMANCE REQUIREMENTS/INCENTIVES

THE NATIONAL INVESTMENT COMMISSION IS EMPOWERED TO GRANT INCENTIVES TO FOREIGN INVESTMENT, BUT THE MOST SIGNIFICANT INCENTIVES GRANTED ARE THE MONOPOLIES IN SUCH AREAS AS RICE AND GASOLINE IMPORTATION. THESE MONOPOLIES OPERATE AS A DISINCENTIVE TO FURTHER FOREIGN INVESTMENT.

THE FEE SCHEDULE FOR RESIDENCE PERMITS IS DISCRIMINATORY; FOR A FIVE-YEAR PERMIT, CITIZENS OF THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS), USD100; NON-ECOWAS AFRICAN CITIZENS, USD 300; AND ALL OTHERS, USD 550. WORK PERMITS ARE THE SAME FEE FOR ALL APPLICANTS.

A.6 RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

FOREIGN AND DOMESTIC ENTITIES HAVE THE RIGHT TO ESTABLISH AND OWN BUSINESS ENTERPRISES; HOWEVER, NON-LIBERIAN CITIZENS CANNOT OWN REAL ESTATE IN THE COUNTRY.

A.7 PROTECTION OF PROPERTY RIGHTS

THERE IS NO RECOGNIZED SYSTEM, SUCH AS A TITLE SYSTEM, FOR RECORDING SECURED INTERESTS. MANY RECORDS WERE DESTROYED DURING THE CIVIL CONFLICT, MAKING DISPUTES OVER REAL ESTATE OWNERSHIP COMMON.

QA.8 TRANSPARENCY OF THE REGULATORY SYSTEM

ALTHOUGH THE TAYLOR ADMINISTRATION IS PUBLICLY COMMITTED TO DEVELOPING CLEAR, CONSISTENT AND TRANSPARENT POLICIES TO ENCOURAGE INVESTMENT, IT HAS NOT YET DONE SO. VERY LITTLE PROGRESS HAS BEEN MADE IN ADDRESSING THE CRITERIA LAID OUT BY THE INTERNATIONAL MONETARY FUND (IMF) FOR CREATING AN IMPROVED ECONOMIC ENVIRONMENT WHICH WOULD ATTRACT INTERNATIONAL INVESTMENT. INVESTORS STILL MUST COPE WITH MYRIAD MINISTRIES AND AGENCIES, CONFLICTING RULES AND REGULATIONS, AND MUCH BUREAUCRATIC RED TAPE.

WHILE LABOR LAWS AND POLICIES THEMSELVES DO NOT DISTORT OR IMPEDE INVESTMENT, LABOR DISPUTES ARE MOST OFTEN SETTLED IN THE FAVOR OF LIBERIAN EMPLOYEES, REGARDLESS OF THE MERITS OF THEIR COMPLAINTS.

QA.9 EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENT

FOREIGN INVESTORS FIND IT DIFFICULT OBTAIN CREDIT ON THE LOCAL MARKET DUE TO THE LACK OF BANKING SERVICES. BANKS CHARGE A FEE TO DEPOSIT MONEY, WITHDRAW MONEY, OR A CASH A CHECK. MUCH OF THE TOTAL ASSET BASE OF THE BANKS IS NON-PERFORMING.

QA.10 POLITICAL VIOLENCE

CHARLES TAYLOR'S INAUGURATION AS LIBERIA'S 21ST PRESIDENT ON AUGUST 2, 1997, SIGNALLED AN END OF THE SEVEN-YEAR CIVIL WAR IN WHICH MORE THAN 150,000 PEOPLE DIED, HUNDREDS OF THOUSANDS WERE DISPLACED, AND THE COUNTRY'S INFRASTRUCTURE WAS TOTALLY DESTROYED.

THE GOVERNMENT HAS A POOR HUMAN RIGHTS RECORD, WITH MOST ABUSES ATTRIBUTABLE TO THE SECURITY FORCES. ON SEPTEMBER 18, 1998, SECURITY FORCES ENCIRCLED AND KILLED PERHAPS HUNDREDS OF ETHNIC KRAHNS WHO WERE AFFILIATED WITH A FACTION THAT HAD OPPOSED TAYLOR DURING THE CIVIL WAR. KRAHN LEADER ROOSEVELT JOHNSON SURVIVED THE INITIAL ATTACK AND SOUGHT REFUGE IN THE AMERICAN EMBASSY ON SEPTEMBER 19; POLICE OPENED FIRE ON JOHNSON AND SEVEN SUPPORTERS IN THE ENTRYWAY OF THE EMBASSY, KILLING TWO MEMBERS OF JOHNSON'S PARTY, AND WOUNDING OTHERS, INCLUDING TWO EMBASSY EMPLOYEES.

SECURITY FORCES CONTINUE TO BE A SOURCE OF INSTABILITY IN THE COUNTRY. ON APRIL 21, 1999, SECURITY FORCES WERE

INVOLVED IN LOOTING OF SEVERAL INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS FACILITIES IN VOINJAMA, IN THE NORTHERN REGION OF LIBERIA. THE UNITED STATES DEPARTMENT OF STATE ISSUED A TRAVEL ADVISORY ON APRIL 29, 1999 WARNING U.S. CITIZENS AGAINST TRAVEL TO LIBERIA DUE TO THE UNSTABLE SECURITY SITUATION.

QA.11 CORRUPTION

CORRUPTION CONTINUES TO REACH THE HIGHEST LEVELS OF GOVERNMENT. SOME GOVERNMENT OFFICIALS HAVE AMASSED FORTUNES, WHILE THE MAJORITY OF LIBERIANS CONTINUE TO LIVE IN POVERTY. U.S. FIRMS CONSISTENTLY IDENTIFIED CORRUPTION AS A MAJOR OBSTACLE TO FOREIGN DIRECT INVESTMENT.

THE GOVERNMENT ESTABLISHED A 18-PERSON PUBLIC SERVICE COMMISSION TO UNDERTAKE A COMPREHENSIVE REVIEW OF THE LIBERIAN CIVIL SERVICE, BUT THERE HAVE BEEN NO EFFECTIVE MEASURES TAKEN TO COMBAT CORRUPTION. CORRUPTION IN THE PUBLIC SECTOR IS EXACERBATED BY THE GOVERNMENT'S FAILURE TO PAY ITS EMPLOYEES A LIVING WAGE WITH REGULARITY.

CORRUPTION IS PERVASIVE IN EVERY AREA OF GOVERNMENT. INVESTORS REPORT THAT BRIBES ARE EXPECTED BY MOST CIVIL SERVANTS AND SECURITY OFFICIALS WHOM THEY ENCOUNTER IN THE COURSE OF DOING BUSINESS. THERE HAVE BEEN NO CONVICTIONS OF CORRUPT OFFICIALS, AND LITTLE IS DONE TO PURSUE COMPLAINTS MADE BY INVESTORS.

2. C. OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

LIBERIA DOES NOT PARTICIPATE IN OPIC OR OTHER INVESTMENT INSURANCE PROGRAMS.

THE U.S. EMBASSY PURCHASES LOCAL CURRENCY AT THE LOCAL PARALLEL RATE. IT IS LIKELY THAT THE LIBERIAN DOLLAR WILL REMAIN THE SAME OR DEVALUE SLIGHTLY OVER THE COURSE OF THE NEXT YEAR.

3. D. LABOR

THERE IS SHORTAGE OF HIGH TECHNOLOGY SKILLS IN THE LIBERIAN LABOR FORCE. THE MAJORITY OF THE LABOR FORCE IS UNSKILLED, AND THE OVERALL LITERACY RATE IN THE COUNTRY IS 15 PERCENT. DUE TO THE AFTEREFFECTS OF THE CIVIL

CONFLICT, THERE ARE FEW TRAINING OR EDUCATIONAL OPPORTUNITIES IN LIBERIA. MANY SKILLED PROFESSIONALS HAVE EMIGRATED ABROAD. THE UNEMPLOYMENT RATE IS APPROXIMATELY 85 PERCENT AND MAY INCREASE WITH THE INFLUX OF RETURNING REFUGEES FROM NEIGHBORING WEST AFRICAN COUNTRIES.

4. E. FOREIGN TRADE ZONES/FREE PORTS

THE FREE PORT OF MONROVIA IS BEING RENOVATED AND MAY BECOME OPERATIONAL IN THE FUTURE.

5. F. FOREIGN DIRECT INVESTMENT STATISTICS

SINCE THE CIVIL CONFLICT, NO RELIABLE STATISTICS HAVE BEEN AVAILABLE.

CHAPTER VIII: TRADE AND PROJECT FINANCING

CURRENTLY, BANKS IN LIBERIA OPERATE ONLY AS A REPOSITORY FOR FUNDS. A FEE IS CHARGED TO RECEIVE A WIRE TRANSFER, TO MAKE A DEPOSIT/WITHDRAWAL, OR TO CASH CHECKS. BANKS DO NOT PAY INTEREST OR MAKE LOANS.

CHAPTER IX: BUSINESS TRAVEL

TRAVEL ADVISORY WARNING: THE DEPARTMENT OF STATE WARNS U.S. CITIZENS AGAINST TRAVEL TO LIBERIA DUE TO THE UNSTABLE SECURITY SITUATION. ON MARCH 24, THE DEPARTMENT LIFTED THE AUTHORIZED DEPARTURE OF U.S. EMBASSY PERSONNEL IN NON-EMERGENCY POSITIONS, BUT DECIDED THAT DEPENDENTS OF U.S. GOVERNMENT EMPLOYEES ARE PROHIBITED FROM ACCOMPANYING THE EMPLOYEES TO LIBERIA.

SINCE THE ARMED CLASHES IN SEPTEMBER 1998, SECURITY CONDITIONS IN MONROVIA HAVE IMPROVED, AND THE CITY IS CALM AND RETURNING TO NORMAL. THE PRESENCE OF MANY ILL-TRAINED AND ARMED GOVERNMENT SECURITY PERSONNEL, HOWEVER, CONSTITUTE A POTENTIAL DANGER. IN ADDITION, THE NORTHWESTERN PART OF THE COUNTRY IS UNSETTLED AS REBEL ACTIVITY IN SIERRA LEONE CONTINUES TO AFFECT THE STABILITY ALONG THE SIERRA LEONE/LIBERIA BORDER. TRAVEL ANYWHERE IN LIBERIA AFTER DARK IS DISCOURAGED.

U.S. CITIZENS IN LIBERIA SHOULD ESTABLISH AND MAINTAIN CONTACT WITH THE EMBASSY AND CONSIDER THEIR OWN PERSONAL SECURITY SITUATIONS IN DETERMINING WHETHER TO REMAIN IN

THE COUNTRY.

VISAS: A PASSPORT AND VISA ARE REQUIRED, AS IS PROOF OF YELLOW FEVER VACCINATION. FOR PERSONS WHO ARE TRAVELING FROM COUNTRIES THAT DO NOT HAVE A LIBERIAN EMBASSY OR CONSULATE, AN AIRPORT ENTRY VISA MAY BE OBTAINED, BUT THE BUREAU OF IMMIGRATION AND NATURALIZATION MUST AUTHORIZE THE VISA IN ADVANCE OF ARRIVAL. FURTHER INFORMATION ON ENTRY REQUIREMENTS FOR LIBERIA CAN BE OBTAINED FROM THE EMBASSY OF THE REPUBLIC OF LIBERIA, 5201 16TH STREET, N.W., WASHINGTON, D.C. 20011. TEL: NUMBERS ARE (202) 723-0437 TO 723-0440. OVERSEAS INQUIRIES SHOULD BE MADE TO THE NEAREST LIBERIAN EMBASSY OR CONSULATE.

U.S. BUSINESS TRAVELERS ARE ENCOURAGED TO OBTAIN A COPY OF THE "KEY OFFICERS OF FOREIGN SERVICE POSTS: GUIDE FOR BUSINESS REPRESENTATIVES" AND "TIPS FOR TRAVELERS TO SUB-SAHARAN AFRICA", BOTH AVAILABLE FROM THE SUPERINTENDENT OF DOCUMENTS, U.S. GOVERNMENT PRINTING OFFICE, WASHINGTON, D.C. 20402; TEL. (202) 512-1800; FAX (202) 512-2250. BUSINESS TRAVELERS TO LIBERIA SEEKING APPOINTMENTS WITH U.S. EMBASSY OFFICIALS SHOULD CONTACT THE POLITICAL/ECONOMIC SECTION IN ADVANCE. THE POLITICAL/ECONOMIC SECTION CAN BE REACHED AT TEL:(231) 226370 OR BY FAX AT (231)226147.

CHAPTER X: ECONOMIC AND TRADE STATISTICS

APPENDIX A: COUNTRY DATA

POPULATION: 2,771,901 (JULY 1998 EST.)
 POPULATION GROWTH RATE: 5.76 PERCENT (1998 EST.)
 RELIGIONS: TRADITIONAL 40 PERCENT, CHRISTIAN BLENDED WITH TRADITIONAL ANIMISM 30 PERCENT, MUSLIM 20 PERCENT, CHRISTIAN 10 PERCENT
 GOVERNMENT SYSTEM: DEMOCRATIC REPUBLIC
 LNAGUAGES: OFFICIAL LANGUAGE IS ENGLISH, ABOUT 20 TRIBAL LANGUAGES

APPENDIX B: DOMESTIC ECONOMY

1998 IN USD MILLIONS (GOVERNMENT FIGURES)
 GDP: 357
 GDP GROWTH RATE: 20.1 PERCENT
 GOVERNMENT SPENDING AS A PERCENT OF GDP: 13.6 PERCENT
 UNEMPLOYMENT: 85 PERCENT

AVERAGE EXCHANGE RATE FOR USD 1.00: 40 LIBERIAN DOLLARS
DEBT SERVICE RATIO: .01 PERCENT (COMPARED TO THE NATIONAL
BUDGET)

APPENDIX C: TRADE

1999 (GOVERNMENT FIGURES) IN USD MILLIONS

TOTAL COUNTRY EXPORTS: 38.8
TOTAL COUNTRY IMPORTS: 113.7

CHAPTER XI: U.S. AND COUNTRY CONTACTS

A. U.S. CONTACTS

U.S. FOREIGN COMMERCIAL SERVICE
REGIONAL COUNSELOR FOR ECONOMIC AFFAIRS
U.S. DEPARTMENT OF STATE-ABIDJAN
WASHINGTON, D.C. 20510-2010

TPCC TRADE INFORMATION CENTER NUMBER IN WASHINGTON: 1-
800-USA-TRADE

U.S. DEPARTMENT OF STATE OFFICE OF BUSINESS AFFAIRS:
PHONE: 202-746-1625, FAX 202-647-3953

U.S. DEPARTMENT OF AGRICULTURE, FOREIGN AGRICULTURE
SERVICE, TRADE ASSISTANCE AND PROMOTION OFFICE: 202-720-
7420

OVERSEAS PRIVATE INVESTMENT CORPORATION, 202-336-8799

COUNTRY CONTACTS:

MINISTRY OF COMMERCE
MINISTER OF COMMERCE
DR. BRAHIMA KABA
(231) 226399/222979

THE CHAIRMAN NATIONAL INVESTMENT COMMISSION
TEL: 226685
FAX: 226685
E-MAIL: WEBMASTER@NIC.GOV.LR

BANKING INSTITUTIONS:

INTERNATIONAL TRUST COMPANY OF LIBERIA

TEL: 226259
FAX: 226092

LIBERIA BANK FOR DEVELOPMENT AND INVESTMENT (LBDI)
TEL: 227140/227141
FAX: 226359
E-MAIL: LBDI@LIBERIA.NET

NATIONAL BANK OF LIBERIA
TEL: 226926
FAX: 226144

NATIONAL HOUSING AND SAVINGS BANK (NHSB)
TEL: 224495/227980/226499
FAX: 226166

TRADEVCO BANK
TEL: 221800/223156
FAX: 226971

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